

Press Release

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TNS SIFO Prospera has been commissioned by Sveriges Riksbank (Central Bank of Sweden) to undertake a series of surveys aiming at mapping expectations of inflation, wage increase, GDP and future repo rates in Sweden among labour market parties, purchasing managers and money market players. The survey also includes money market players' expectations of the Swedish 5 year government bond rate, EUR and USD rates.

The money market player survey is conducted every month. The survey also including labour market parties and purchasing managers is published quarterly.

The latest survey in the all categories series, September 2011, has now been completed, the previous June 2011 was published June 15, 2011. The last survey among money market players was published August 10, 2011.

A comparison of the results of the surveys can be summarised as follows (rounded off figures):

All Interviewees' Expectations of

	Year 1		Year 2		Year 5	
	Sept 11	June 11	Sept 11	June 11	Sept 11	June 11
Annual						
Inflation,%	2,4	2,7	2,3	2,6	2,4	2,4
GDP, %	2,5	4,1	2,6	3,5	3,1	3,2
Wage increase, %	2,8	2,9	2,7	3,0	2,9	2,8

	3 months		12 months		24 months		60 months	
	Sept 11	June 11	Sept 11	June 11	Sept 11	June 11	Sept 11	June 11
Repo rate, %	2,0	2,0	2,2	2,6	2,5	2,9	2,9	2,9

Money Market Players' Expectations of

	3 months			12 months			24 months			60 months		
	Sept 11	(Aug 11)	June 11	Sept 11	(Aug 11)	June 11	Sept 11	(Aug 11)	June 11	Sept 11	(Aug 11)	June 11
Repo rate, %	2,1	(2,2)	2,0	2,2	(2,9)	2,8	2,6	(3,2)	3,3	3,2	(3,5)	3,5
5 year gvt bond rate, %	1,9	(2,5)	3,0	2,2	(2,9)	3,4	2,7	(3,3)	3,7	3,4	(3,8)	3,9
EUR	9,12	(8,96)	8,83	8,97	(8,90)	8,80	8,96	(8,90)	8,83	-	-	-
USD	6,37	(6,21)	6,22	6,44	(6,27)	6,49	6,57	(6,49)	6,75	-	-	-

Interview Period & Method

TNS SIFO Prospera's survey that encompasses inflation, GDP and wage increase expectations as well as all but money market players' expectations of repo rates, was carried out August 29 – September 12, 2011 (previous survey May 30 – June 14, 2011 (July 27 – August 8, 2011)).

The part regarding money market players' expectations of future repo rates, 5 year government bond rates, EUR and USD rates took place on August 31, 2011 (previous survey June 1, 2011 (July 27, 2011)).

The survey is carried out over the telephone. The interviewers' average experience of the survey is 11,1 years.

About the Interviewees & Response Rate*All Interviewees*

In all 267 (270) organisations/companies were approached for interview. 15 (16) of the persons in the panel could not be reached or have denied participation, which means that there is an overall response rate of 94 % (94 %). The response rate for individual questions regarding inflation, wage and GDP increase expectations is 93 % or more for the one year and two year assessments. For the five year assessment as well as the questions regarding repo rates, 5 year government bond rates, EUR and USD rates the response rate is generally lower. (Tables 2-8)

Labour Market Organisations

52 Swedish labour market organisations, of which 24 on the employers' side and 28 on the employees' side have been approached.

Purchase Managers

Of the 156 purchasing managers 78 represent the trading industry and 78 the manufacturing industry. The group of companies interviewed is a random sample selected from a company directory at the National Statistics Office of Sweden comprising Swedish companies with more than 200 employees.

Money Market Players

The money market category includes 59 players, 50 Swedish and 9 international, active in the Swedish fixed income market. The money market players were not asked to assess the expected wage increases. Only the money market players have participated in the survey covering expected 5 year government bond rates, EUR and USD rates.

Definitions

Inflation, the percentage increase in Consumer Price Index (CPI).

GDP, Gross Domestic Product, the value of all goods and services produced (by Swedish agents) in one year.

Wage increase, the percentage increase in wages/salaries as measured over all sectors in the economy, exclusive of social costs but inclusive of wage increases negotiated earlier and wage drift.

Repo rate, the Riksbank's borrowing/lending rate from/to banks for seven days' money.

Previous TNS SIFO Prospera Inflation Expectations Surveys

TNS SIFO Prospera inflation reports and tables, from 1995 and onwards, can be downloaded from <http://www.prospera.se/reports/inflation-expectations>

TABLE 1 - Comparison September 2011 vs (August 2011) June 2011

A comparison of the results of the two surveys in all interviewee categories is summarised as follows (rounded off figures):

Expectations of	Year 1			Year 2			Year 5		
	Sept 11	(Aug 11)	June 11	Sept 11	(Aug 11)	June 11	Sept 11	(Aug 11)	June 11
Annual inflation, %									
All interviewees	2,4		2,7	2,3		2,6	2,4		2,4
Employees' organisations	2,5		2,7	2,5		2,6	2,4		2,3
Employers' organisations	2,2		3,0	2,1		2,7	2,4		2,4
Purchase managers Manufacturing	2,5		2,8	2,5		2,8	2,6		2,6
Purchase managers Trading	2,4		2,9	2,4		2,7	2,5		2,4
Money market players	2,1	(2,5)	2,5	2,1	(2,3)	2,3	2,1	(2,2)	2,1
GDP, %									
All interviewees	2,5		4,1	2,6		3,5	3,1		3,2
Employees' organisations	2,9		4,4	2,9		3,9	3,6		3,7
Employers' organisations	2,2		4,2	2,5		3,6	3,2		3,1
Purchase managers Manufacturing	2,8		4,5	2,7		4,0	3,4		3,4
Purchase managers Trading	2,4		4,1	2,5		3,5	3,1		3,3
Money market players	2,2	(3,2)	3,6	2,3	(2,7)	2,8	2,6	(2,7)	2,6
Annual wage increase, %									
All interviewees	2,8		2,9	2,7		3,0	2,9		2,8
Employees' organisations	3,4		3,0	3,2		3,3	3,3		3,2
Employers' organisations	2,7		3,1	2,8		3,3	3,0		3,0
Purchase managers Manufacturing	2,7		2,9	2,6		2,9	2,8		2,7
Purchase managers Trading	2,7		3,0	2,7		3,0	2,8		2,8

	3 months			12 months			24 months			60 months		
	Sept 11	(Aug 11)	June 11	Sept 11	(Aug 11)	June 11	Sept 11	(Aug 11)	June 11	Sept 11	(Aug 11)	June 11
Repo rate, %												
All	2,0		2,0	2,2		2,6	2,5		2,9	2,9		2,9
Employees' organisations	2,0		2,0	2,2		2,4	2,5		2,7	2,8		2,8
Employers' organisations	2,0		2,0	2,2		2,5	2,5		2,8	3,2		2,7
Purchase managers Manufacturing	2,0		2,0	2,2		2,5	2,4		2,7	2,8		2,8
Purchase managers Trading	2,0		2,0	2,1		2,5	2,4		2,9	2,9		2,9
Money market players	2,1	(2,2)	2,0	2,2	(2,9)	2,8	2,6	(3,2)	3,3	3,2	(3,5)	3,5

TABLE 2 - Inflation Expectations

Expected annual increase in CPI the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No responses (numbers)	Response Rate (%)
All									
Year 1	2,364	2,400	0,500	4,000	0,639	0,040	252	15	94%
Year 2	2,335	2,300	0,000	4,300	0,626	0,040	251	16	94%
Year 5	2,422	2,100	1,000	5,800	0,672	0,044	237	30	89%
Employees' organisations									
Year 1	2,486	2,500	1,400	3,500	0,504	0,101	25	3	89%
Year 2	2,486	2,500	1,500	3,800	0,601	0,120	25	3	89%
Year 5	2,384	2,000	1,500	4,300	0,703	0,141	25	3	89%
Employers' organisations									
Year 1	2,205	2,100	1,500	3,000	0,443	0,095	22	2	92%
Year 2	2,136	2,000	1,500	3,000	0,440	0,094	22	2	92%
Year 5	2,357	2,125	1,800	3,000	0,438	0,093	22	2	92%
Purchasing Managers, Manufacturing									
Year 1	2,541	2,500	1,000	3,800	0,671	0,078	74	4	95%
Year 2	2,496	2,500	1,000	4,300	0,649	0,075	74	4	95%
Year 5	2,631	2,500	1,000	5,800	0,722	0,085	72	6	92%
Purchasing Managers, Trading									
Year 1	2,370	2,500	0,500	4,000	0,758	0,087	76	2	97%
Year 2	2,387	2,500	0,000	4,200	0,712	0,082	75	3	96%
Year 5	2,469	2,300	1,000	5,000	0,757	0,090	70	8	90%
Money Market Players									
Year 1	2,127	2,100	1,000	3,000	0,428	0,058	55	4	93%
Year 2	2,060	2,000	1,000	3,000	0,417	0,056	55	4	93%
Year 5	2,091	2,000	1,500	3,500	0,335	0,048	48	11	81%

TABLE 3 - Inflation Expectations - 75% probability forecast uncertainty intervals

Expected annual increase intervals in CPI the coming 1, 2 and 5 years with a 75 % probability

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No responses (numbers)	Response Rate (%)
Money Market Players									
Year 1									
Lower bound	1,496	1,500	0,250	2,550	0,485	0,069	49	10	83%
Upper bound	2,651	2,500	1,000	4,000	0,620	0,089	49	10	83%
Year 2									
Lower bound	1,370	1,400	0,000	2,500	0,489	0,070	49	10	83%
Upper bound	2,797	2,600	1,500	4,400	0,677	0,097	49	10	83%
Year 5									
Lower bound	1,203	1,000	-1,000	3,000	0,628	0,092	47	12	80%
Upper bound	3,167	3,000	2,000	5,500	0,868	0,127	47	12	80%

TABLE 4 - GDP Increase Expectations

Expected annual increase in GDP the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No responses (numbers)	Response Rate (%)
All									
Year 1	2,534	2,500	-2,000	7,000	1,268	0,080	251	16	94%
Year 2	2,581	2,500	-1,500	6,200	1,078	0,068	250	17	94%
Year 5	3,142	3,000	1,000	6,750	0,998	0,065	237	30	89%
Employees' organisations									
Year 1	2,920	2,500	1,000	7,000	1,256	0,251	25	3	89%
Year 2	2,916	2,500	1,000	6,000	1,135	0,227	25	3	89%
Year 5	3,552	3,500	2,000	6,000	0,934	0,187	25	3	89%
Employers' organisations									
Year 1	2,245	2,100	-0,500	4,500	1,201	0,256	22	2	92%
Year 2	2,509	2,500	0,000	4,000	0,903	0,192	22	2	92%
Year 5	3,200	3,000	2,000	5,000	0,844	0,180	22	2	92%
Purchasing Managers, Manufacturing									
Year 1	2,836	2,500	0,500	5,500	1,281	0,150	73	5	94%
Year 2	2,748	2,500	0,500	6,200	1,260	0,147	73	5	94%
Year 5	3,406	3,000	1,000	6,750	1,143	0,135	72	6	92%
Purchasing Managers, Trading									
Year 1	2,419	2,500	-2,000	6,000	1,395	0,160	76	2	97%
Year 2	2,509	2,500	-1,500	6,000	1,192	0,138	75	3	96%
Year 5	3,089	3,000	1,500	6,500	1,009	0,121	70	8	90%
Money Market Players									
Year 1	2,234	2,000	0,000	5,000	0,977	0,132	55	4	93%
Year 2	2,334	2,500	1,000	4,000	0,489	0,066	55	4	93%
Year 5	2,585	2,500	1,700	4,000	0,502	0,073	48	11	81%

TABLE 5 - Wage Increase Expectations

Expected annual wage increase the coming 1, 2 and 5 years

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No responses (numbers)	Response Rate (%)
All									
Year 1	2,817	2,900	0,500	5,000	0,623	0,045	195	13	94%
Year 2	2,726	2,800	0,500	4,000	0,585	0,042	194	14	93%
Year 5	2,903	3,000	1,000	5,000	0,563	0,041	186	22	89%
Employees' organisations									
Year 1	3,360	3,500	2,500	5,000	0,572	0,114	25	3	89%
Year 2	3,212	3,100	2,600	4,000	0,332	0,066	25	3	89%
Year 5	3,252	3,000	2,500	4,000	0,395	0,079	25	3	89%
Employers' organisations									
Year 1	2,690	2,800	1,500	3,500	0,561	0,122	21	3	88%
Year 2	2,776	2,900	1,500	3,500	0,547	0,119	21	3	88%
Year 5	2,985	3,000	2,000	4,000	0,581	0,130	20	4	83%
Purchasing Managers, Manufacturing									
Year 1	2,745	2,500	1,500	4,000	0,608	0,071	74	4	95%
Year 2	2,607	2,500	1,500	4,000	0,513	0,060	74	4	95%
Year 5	2,815	3,000	1,300	4,000	0,489	0,058	72	6	92%
Purchasing Managers, Trading									
Year 1	2,744	3,000	0,500	3,600	0,589	0,068	75	3	96%
Year 2	2,666	2,800	0,500	4,000	0,650	0,076	74	4	95%
Year 5	2,843	3,000	1,000	5,000	0,635	0,076	69	9	88%

TABLE 6 - Repo Rate Expectations

Expected repo rate the coming 3-60 months

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No responses (numbers)	Response Rate (%)
All									
3 months	2,044	2,000	1,500	2,500	0,145	0,009	242	25	91%
12 months	2,175	2,225	0,250	3,250	0,401	0,026	242	25	91%
24 months	2,464	2,500	0,500	4,000	0,548	0,036	236	31	88%
60 months	2,944	3,000	1,000	5,000	0,635	0,043	221	46	83%
Employees' organisations									
3 months	1,996	2,000	1,700	2,250	0,126	0,025	25	3	89%
12 months	2,178	2,250	1,500	2,750	0,357	0,071	25	3	89%
24 months	2,518	2,500	1,750	3,500	0,463	0,093	25	3	89%
60 months	2,846	3,000	1,500	4,000	0,650	0,130	25	3	89%
Employers' organisations									
3 months	2,045	2,000	2,000	2,500	0,125	0,027	22	2	92%
12 months	2,207	2,125	1,500	3,000	0,413	0,088	22	2	92%
24 months	2,488	2,300	1,500	3,500	0,545	0,119	21	3	88%
60 months	3,158	3,000	1,750	5,000	0,727	0,167	19	5	79%
Purchasing Managers, Manufacturing									
3 months	2,036	2,000	1,500	2,500	0,172	0,020	74	4	95%
12 months	2,205	2,250	1,000	3,000	0,389	0,045	74	4	95%
24 months	2,414	2,500	1,250	3,500	0,516	0,060	74	4	95%
60 months	2,801	3,000	1,500	4,000	0,545	0,065	71	7	91%
Purchasing Managers, Trading									
3 months	2,047	2,000	1,750	2,500	0,142	0,016	75	3	96%
12 months	2,127	2,000	0,250	3,250	0,461	0,053	75	3	96%
24 months	2,418	2,500	0,500	4,000	0,598	0,070	74	4	95%
60 months	2,916	3,000	1,000	4,250	0,655	0,079	69	9	88%
Money Market Players									
3 months	2,076	2,000	2,000	2,250	0,116	0,017	46	13	78%
12 months	2,190	2,250	1,500	3,000	0,338	0,050	46	13	78%
24 months	2,588	2,500	1,500	3,750	0,562	0,087	42	17	71%
60 months	3,230	3,250	2,000	4,250	0,608	0,100	37	22	63%

TABLE 7 - Repo Rate Expectations - 75% probability forecast uncertainty intervals

Expected repo rate intervals the coming 3-60 months with a 75 % probability

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No responses (numbers)	Response Rate (%)
Money Market Players									
3 months									
Lower bound	1,794	2,000	1,000	2,000	0,273	0,042	42	17	71%
Upper bound	2,313	2,250	2,000	3,000	0,207	0,032	42	17	71%
12 months									
Lower bound	1,570	1,550	0,250	2,500	0,485	0,075	42	17	71%
Upper bound	2,719	2,750	1,500	4,000	0,390	0,060	42	17	71%
24 months									
Lower bound	1,664	1,875	0,500	3,000	0,736	0,119	38	21	64%
Upper bound	3,309	3,250	1,500	5,000	0,727	0,118	38	21	64%
60 months									
Lower bound	1,838	2,000	0,250	3,000	0,842	0,138	37	22	63%
Upper bound	4,264	4,000	3,000	6,000	0,901	0,148	37	22	63%

TABLE 8 - 5 year Government Bond Rate, EUR and USD rates

Expected 5 year government bond rate, EUR and USD rates the coming 3-24 months

Money Market Players

	Mean (%)	Median (%)	Lowest (%)	Highest (%)	Standard Deviation	Standard Error	Responses (numbers)	No responses (numbers)	Response Rate (%)
5 YEAR GOVERNMENT BOND RATE									
3 months	1,906	1,900	1,600	2,300	0,158	0,026	38	21	64%
12 months	2,204	2,150	1,500	3,200	0,406	0,066	38	21	64%
24 months	2,654	2,500	1,500	4,250	0,582	0,097	36	23	61%
60 months	3,396	3,500	2,250	5,000	0,686	0,116	35	24	59%
EUR/SEK									
3 months	9,115	9,100	8,700	9,500	0,171	0,026	44	15	75%
12 months	8,973	9,000	8,000	9,800	0,254	0,038	44	15	75%
24 months	8,959	9,000	7,850	9,600	0,313	0,050	39	20	66%
USD/SEK									
3 months	6,368	6,300	6,000	6,840	0,184	0,028	44	15	75%
12 months	6,439	6,450	5,680	7,700	0,457	0,069	44	15	75%
24 months	6,565	6,500	5,700	7,700	0,558	0,091	38	21	64%